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*** *Press Release* ***

Mayor Fulop Introduces \$658 million Budget with No Tax Increases despite Pandemic's Budget Impact

As Demand for City Services Increase, Jersey City takes Aggressive Approach against COVID-19 Budget Crisis

JERSEY CITY – **Mayor Steven M. Fulop** introduced the CY 2020 municipal budget today, which once again includes no tax increases despite a \$70 million budget impact the COVID-19 pandemic cost Jersey City in expenses and revenue losses since March. As local governments nationwide face crippling budgetary burdens, the Fulop Administration's proactive steps to aggressively address unprecedented financial hardships amid the health and economic crisis have helped alleviate taxpayer burdens while creating a more resilient and sustainable economic future for Jersey City.

"We have been focused on the hardships our residents are facing amid this pandemic, which is why we were dedicated to finding financial avenues on the city's side to balance the biggest budget instability we've ever faced while avoiding further financial burden for taxpayers who are already struggling," said **Mayor Fulop**. "Our budget team has been working since day one to finance the expansive city services and resources that are experiencing more demand than ever before, while simultaneously plugging a gaping budget hole in the wake of the pandemic that has crippled other municipalities across the nation."

This year's budget includes approximately \$25 million in immediate and long-term savings from voluntary employee buyouts, hiring freezes, restructuring personnel, elimination of overtime costs, reassessment of operational efficiencies, healthcare cost reevaluation, program inventory assessments, reducing and eliminating operating costs and contracts, internal audits, and debt restructuring. The city will also leverage approximately \$20 million in CARES Act funding to help offset additional expenses incurred.

While this year's budget has been crafted under extraordinary circumstances, it also commits long-term financial recovery and safeguards with comprehensive fiscal management plans to create better internal financial policies, controls, and safeguards as well as exploratory shared service agreements.

Despite the current odds against local governments, the Mayor's actions were recently cited by Moody's credit rating as reason to earn a "stable" rating this year compared to most other cities seeing credit downgrades and negative reviews. The Moody's report credits, "the city government is taking strong action to address both the public health needs of the city and the budgetary implications thereof. The city also has extensive plans to address the substantial expected losses of revenue."

"We examined each budget item line-by-line, as the Mayor was clear he did not want the municipal taxes to go up and further devastate residents," said **John Metro, Director of the Department of Finance**. "From the

hiring freeze to reassessing city operations, we have chipped away at one of the largest budget deficits the city has ever faced, and were able to produce a budget to continue the critical services that residents rely on and still find cost savings.”

"We had to make a lot of tough decisions and changes to our budget appropriations because of the massive COVID-related revenue losses that would not normally even be a consideration," said **Brian Platt, Business Administrator**. "A large number of small sacrifices and cuts across the organization have thankfully allowed us to continue providing vital services without a tax increase."

Mayor Fulop recognized early in the pandemic that planning for the post pandemic fallout would prove critical for Jersey City's economy, now and in the future. In early April, Mayor Fulop shared details on the projected \$70 million financial exposure amid the COVID-19 pandemic – \$50 million in revenue loss coupled with \$20 million in added expenses in response to the health crisis. Two weeks later, the first steps were taken to begin balancing the budget and alleviating residents' financial hardships.

The Mayor's CY 2020 budget proposal will be introduced to the City Council this week.

All media inquiries should be directed to Kimberly Wallace-Scalcione at KWallace@jcnj.org. ////